



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Response to Request for Information Interim Charge 1B

Prepared for the
House Committee on Transportation

September 18, 2020

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Interim Charge 1B

Study the current mix of user fee-based funding for the state highway system, including registration fees, tolls, and fuel tax, and determine if current funding generated is sufficient to maintain cost demands. Examine whether current legislative appropriations, including projections for Proposition 1 (severance tax) and Proposition 7 (sales tax) funds, are keeping pace with Texas' highway funding needs to accommodate population and economic development growth. Make recommendations for additional methods of funding or innovative tools that the state could utilize to deliver road infrastructure projects.

Summary

Programs administered by the Texas Department of Motor Vehicles (TxDMV) provide billions of dollars in revenue to the State Highway Fund (Fund 0006) each biennium. In fiscal year (FY) 2020, the department deposited \$1.58 billion to the State Highway Fund.

The chart below illustrates the department's deposits to the State Highway Fund by fiscal year:

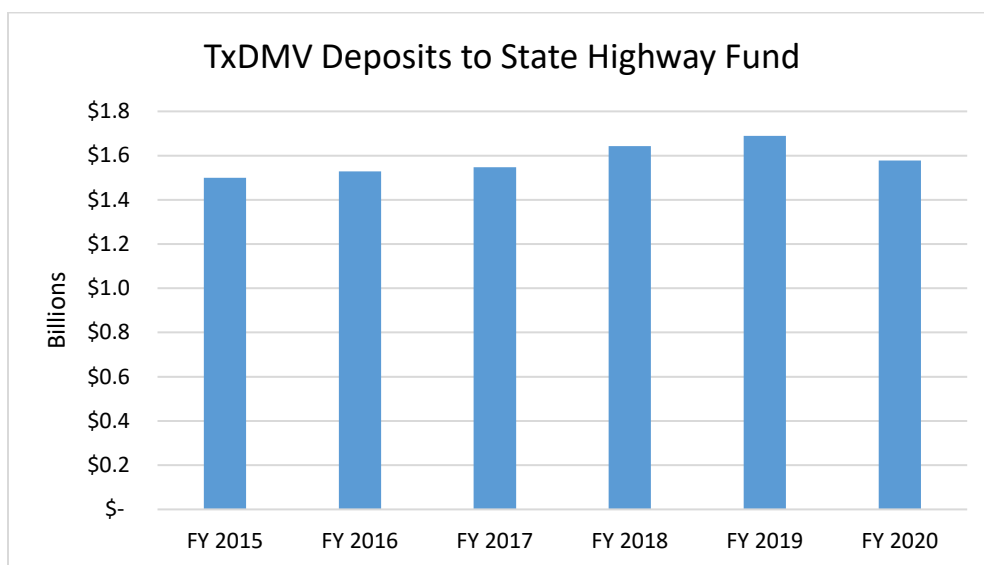


Chart 1. TxDMV Deposits to the State Highway Fund by Fiscal Year

Revenue Sources

The department administers several programs with revenue going to support the state highway system.

Vehicle Registration

Vehicle registration fees account for most of the revenue supporting the state highway system from department programs. Unless noted below, once a county retains the allowed road and bridge formula amount (see Transportation Code Section 502.198), all registration fees are deposited to the State Highway Fund. In FY 2019, vehicle registration-related fees provided \$1.46 billion to the fund.

The annual registration fee for vehicles with a gross weight of 6,000 pounds or less is \$50.75. This weight group includes nearly all passenger vehicles and accounts for more than 75% of all motor vehicles registered in Texas. Trailers in this weight group pay \$45. All motorcycles and mopeds pay \$30. The annual registration fee for vehicles with gross weights of more than 6,000 pounds varies based on the schedule below:

Gross Vehicle Weight	Fee
6,000 lbs. or less	\$50.75
6,001 to 10,000 lbs.	\$54.00
10,001 to 18,000 lbs.	\$110.00
18,001 to 25,999 lbs.	\$205.00
26,000 to 40,000 lbs.	\$340.00
40,001 to 54,999 lbs.	\$535.00
55,000 to 70,000 lbs.	\$740.00
70,001 to 80,000 lbs.	\$840.00

Table 1. Registration Fee Schedule by Gross Vehicle Weight

If a motor vehicle has a diesel motor and is not a passenger car, a truck with a gross weight of 18,000 pounds or less, or a vehicle with combination registration, the above fee is increased by 11 percent. Token trailers, fertilizer spreaders, commercial farm motor vehicles, and soil conservation vehicles pay different registration fees than above but those fees are still deposited to the State Highway Fund. The fees from various types of temporary registration permits such as 1 trip, 30-day, 72/144 hour, and excess weight permits are also deposited to the fund.

A fee of \$1 (see Transportation Code 502.357) is collected for motor vehicles required to show proof of financial responsibility at the time of registration. These fees are deposited to the State Highway Fund except for the portion deposited to the TexasSure Fund to cover costs of the Texas Department of Insurance's financial responsibility verification system. Statute allows the fees deposited to the State Highway Fund to be appropriated to support various Department of Public Safety programs.

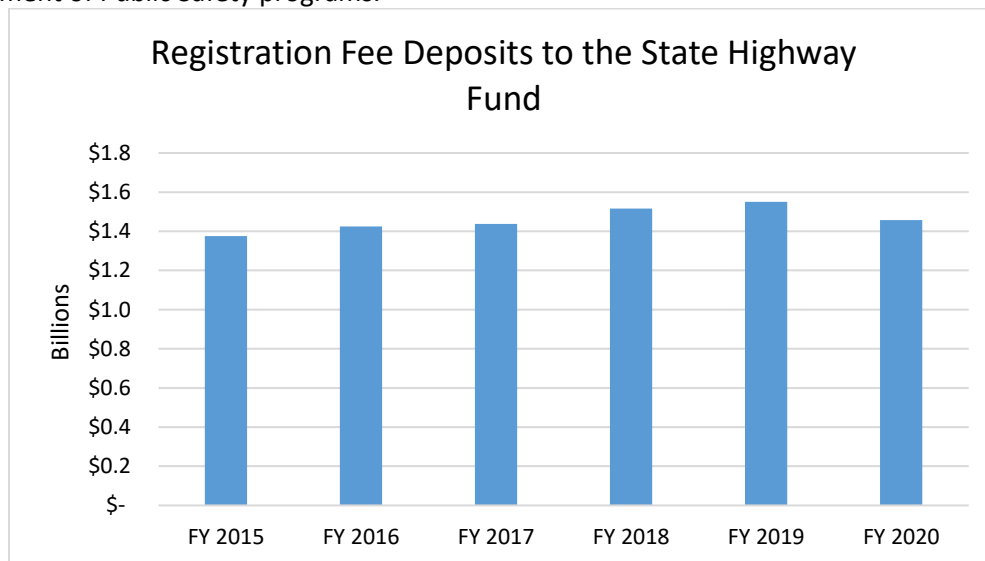


Chart 2. Registration Fee Deposits to the State Highway Fund

Vehicle Titling

State law requires most vehicles to be titled. The regular motor vehicle title application fee is \$33 in counties with non-attainment air quality and \$28 in other counties. Approximately 75% of titles issued are from non-attainment counties. In FY 2019, title-related fees provided \$7.9 million to the State Highway Fund and \$115.2 million to the Texas Mobility Fund.

Out of either title fee, \$5 remains with the county, \$5 is deposited to the General Revenue Fund, and \$3 is deposited in the Texas Department of Motor Vehicles Fund. The remaining fee amount of either \$15 or \$20 is deposited to

the Texas Mobility Fund. At regular intervals, the total amount of funds from title fees deposited to the Texas Mobility Fund is transferred from the State Highway Fund to the Texas Emissions Reduction Plan Fund.

When a vehicle with a salvage title is repaired, rebuilt, or reconstructed, the vehicle can receive a “rebuilt” title which allows the vehicle to be registered for use on public roads. In addition to the title fee described above, a “rebuilt” title must pay a \$65 rebuilder fee. Of that fee, \$50 is deposited to the State Highway Fund to be used only by the Department of Public Safety to enforce the title act, and \$15 is deposited to the General Revenue Fund.

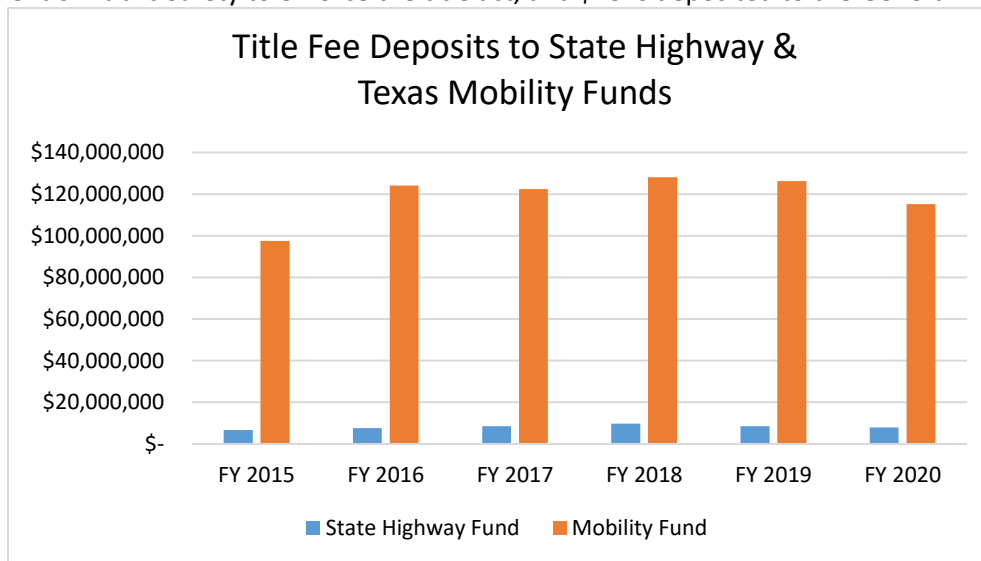


Chart 3. Title Fee Deposits to the State Highway Fund and the Texas Mobility Fund

Oversize/Overweight Permitting

State and federal law limit the size and weight of vehicles traveling on public roads. The department offers more than 30 types of oversize/overweight (OS/OW) permits that can be purchased to allow a vehicle and/or load to operate at sizes or weights that exceed legal limits. In FY 2019, oversize/overweight permitting fees provided \$112.8 million to the State Highway Fund.

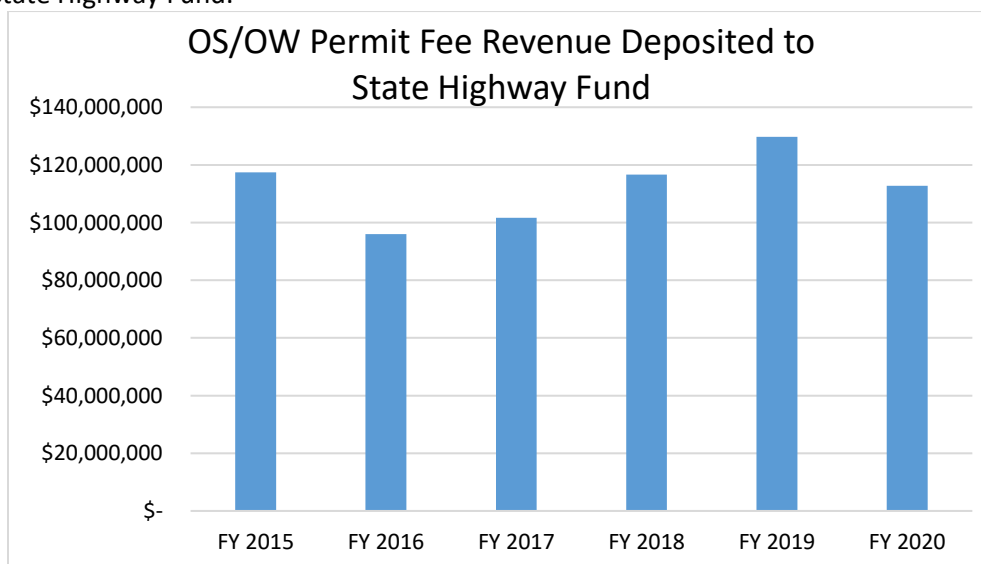


Chart 4. Oversize/Overweight Permit Fee Deposits to the State Highway Fund

The permit fee varies based on type and other factors. The State Highway Fund receives deposits from each permit fee. The General Revenue Fund receives a portion of most permit fees. All permit types except utility pole, ready-mixed concrete trucks, and annual timber deposit a portion of the total fee to the Texas Department of Motor

Vehicles Fund. Lastly counties receive a portion of the fees for over axle/over gross weight tolerance, annual timber, ready-mixed concrete trucks, intermodal shipping container port, North Texas intermodal, and fluid milk transport permits while cities receive a portion of the fee for intermodal shipping container port permits.

See *Appendix* for a list of Oversize/Overweight permits types.

Appendix

Types of Oversize/Overweight Permits

General Single-Trip <i>TRC 623 Subchapter D; 43 TAC 219.12</i> <ul style="list-style-type: none"> - Nondivisible load - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + Weight-based Highway Maintenance Fee (HMF) \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 480,001	Manufactured Housing (Single-Trip) <i>TRC 623 Subchapter E; 43 TAC 219.14</i> <ul style="list-style-type: none"> - Transport manufactured housing & industrialized buildings/housing - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only - Valid for five days Fee: \$40 Fee Distribution: \$19.70 GR, \$18.27 SHF, \$2.03 TxDMV Issued in FY 20: 90,814	Portable Building <i>TRC Subchapter F; 43 TAC 219.15</i> <ul style="list-style-type: none"> - Transport portable buildings & compatible cargo - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fee: \$15 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 18,391
Super Heavy <i>TRC 623 Subchapter D; 43 TAC 219.12</i> <ul style="list-style-type: none"> - Nondivisible load - Gross weight exceeds 254,300 lbs or 200,000 lbs w/less than 95 feet axle spacing - May exceed maximum permit weights on axle or axle group - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + HMF \$150 to \$375 + Vehicle Supervision Fee (VSF) \$35 to \$500 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% DMV; VSF - 100% SHF Issued in FY 20: 1,722	House Move <i>TRC 623.071 Subchapter D; 43 TAC 219.12</i> <ul style="list-style-type: none"> - Transport houses exceeding 20-feet wide - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + HMF \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 1,428	Annual Length <i>TRC 623.071 Subchapter D; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Nondivisible overlength loads - Routing by permittee, state roads only - Valid for one year Fee: \$960 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 528
Crane & Well Service Unit Mileage <i>TRC Subchapter G & J; 43 TAC 219.42 & .62</i> <ul style="list-style-type: none"> - Unladen lift equipment - Fixed-load machinery used to drill, service or clean oil wells - Single, continuous movement - Routing by TxDMV & TxDOT, state roads only Fee: \$31 + mileage & size/weight (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 15,922	Self-Propelled Off-Road Equipment <i>TRC 623.071 Subchapter D; 43 TAC 219.12</i> <ul style="list-style-type: none"> - Drive off-road equipment on state road - Single, continuous movement from point A to B - Routing by TxDMV & TxDOT, state roads only Fees: Permit \$60 + HMF \$150 to \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 12	Annual Timber Permit <i>TRC 623 Subchapter Q; 43 TAC 219.31</i> <ul style="list-style-type: none"> - Transport unrefined timber, wood chips, woody biomass, or equipment used to load timber on vehicle - Routing by permittee, state roads & county roads in select counties - Valid for one year Fee: \$900 Fee Distribution: 50% Counties, 50% SHF Issued in FY 20: 447
30/60/90 Day Width or Length <i>TRC 623 Subchapter D; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Nondivisible loads - Use width and length permits in conjunction with one another - Routing by permittee, state roads only - Select 30, 60 or 90-day effective period Fee: \$120/\$180/\$240 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 35,123	Company Specific Envelope <i>TRC 623 Subchapter D; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Nondivisible loads - Can be used to operate any truck owned or leased by company one at a time - Routing by permittee, state roads only - Valid for one year Fee: \$4,000 (by rule) Fee Distribution: \$1000 GR, \$2700 SHF, \$300 TxDMV Issued in FY 20: 2,962	Vehicle Specific Envelope <i>TRC 623 Subchapter D; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Nondivisible loads - Routing by permittee, state roads only - Valid for one year Fee: \$4,000 (by rule) Fee Distribution: \$1000 GR, \$2700 SHF, \$300 TxDMV Issued in FY 20: 3,183
Fracing Trailer <i>TRC 623 Subchapter G; 43 TAC 219.45</i> <ul style="list-style-type: none"> - Semitrailer containing a tank/pump unit - Routing by permittee, state roads only - Valid for one year Fees: Issuance \$20 + Permit (varies by axles & product) \$52 - \$104 per axle (by rule) Fee Distribution: Issuance - 90% SHF, 10% TxDMV; Permit - 90% SHF, 10% TxDMV Issued in FY 20: 16	Hay <i>TRC 623.017, 621.354; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Transport round bales of hay - Side-by-side loading - Routing by permittee, state roads only - Valid for one year Fee: \$10 Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 640	Quarterly Hubometer <i>TRC 623 Subchapter G & J; 43 TAC 219.43 & .63</i> <ul style="list-style-type: none"> - Drive or transport hubometer-equipped fixed-load machinery and unladen lift equipment - Routing by permittee, state roads only - Valid for 91 days Fee: \$31 + mileage & size/weight (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 33,704
Implements of Husbandry <i>TRC 623 Subchapter D; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Transport farm implements to till soil, transport & spread fertilizer, deliver feed to livestock - Routing by permittee, state roads only - Valid for one year Fees: Permit \$270 + HMF \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 906	Manufactured Housing (Annual) <i>TRC 623 Subchapter E; 43 TAC 219.13</i> <ul style="list-style-type: none"> - Transport new homes to temporary storage location (20-mile radius) - May be used by multiple vehicles - Routing by permittee, state roads only - Valid for one year Fee: \$1,500 (by rule) Fee Distribution: \$1470 GR, \$26 SHF, \$4 TxDMV (by practice) Issued in FY 20: 9	Mobile Crane (Annual) <i>TRC 623 Subchapter I; 43 TAC 219.64</i> <ul style="list-style-type: none"> - Unladen lift equipment - Routing by permittee, state roads only - Valid for one year Fee: \$100 Fee Distribution: 50% GR, 45% SHF, 5% TxDMV Issued in FY 20: 755

Well Servicing Unit (Annual) <i>TRC 623 Subchapter G; 43 TAC 219.44</i> - Transport legal size/weight units - Must have Texas "P" (Permit) plate - Routing by permittee, state roads only - Valid for one year Fee: \$52 per axle (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 117	Utility Pole <i>TRC 622.051; 43 TAC 219.13</i> - Transport poles required for electrical power transmission and line distribution - Night movement allowed for emergencies - Routing by permittee, state roads only - Valid for one year Fee: \$120 Fee Distribution: 100% GR Issued in FY 20: 302	Rig-Up Truck <i>TRC 623 Subchapter G; 43 TAC 219.44</i> - Truck equipped with winch and gin poles - Routing by permittee, state roads only - Valid for one year Fee: \$52 (by rule) Fee Distribution: 90% SHF, 10% TxDMV Issued in FY 20: 224
Over Axle/Over Gross Weight Tolerance <i>TRC 623 Subchapter B & 621.353; 43 TAC 219.30</i> - Haul divisible commodities - Routing by permittee, state roads & county roads in select counties - Valid for one year Fees: Permit \$90 + Admin \$5 + County (based on # of counties selected) \$175 - \$1,000 Fee Distribution: Base - \$40 TxDMV, \$50 Counties; Admin - 100% TxDMV; County (based # of counties selected) - \$0 - \$125 90% SHF, 10% TxDMV, \$125 - \$1000 100% Counties Issued in FY 20: 55,303	Water Well Drilling Machinery & Equipment <i>TRC 623 Subchapter D; 43 TAC 219.13</i> - Self-propelled or mounted machinery used exclusively for drilling water wells - Routing by permittee, state roads only - Valid for one year Fees: Permit \$270 + HMF \$150 - \$375 Fee Distribution: Permit - 50% GR, 45% SHF, 5% TxDMV; HMF - 90% SHF, 10% TxDMV Issued in FY 20: 152	Federal Disaster Relief <i>TRC 623 Subchapter R; 43 TAC 219.33</i> - Deliver relief supplies (entire load must be relief supplies) or assist in expediting debris removal - Routing by permittee, state roads only - Expires 120 days from date of President's disaster declaration Fee: \$0 Fee Distribution: N/A Issued in FY 20: 546
Ready-Mixed Concrete Trucks <i>TRC 623.0171; 43 TAC 219.32</i> - Trucks operating on three axles - Routing by permittee, state roads & county & city roads in select counties - Valid for one year Fee: \$1,000 Fee Distribution: 50% SHF, 50% Counties Issued in FY 20: 5,572	Intermodal Shipping Container Port <i>TRC 623 Subchapter U; 43 TAC 219.36</i> - Sealed intermodal shipping containers using - 6 or 7 axle vehicle combinations - Travel within 30 miles of port authorities or ports of entry - Routing by permittee on TxDOT approved state roads, county roads, & city roads - Valid for one year Fee: \$6,000 Fee Distribution: 50% SHF, 30% Counties, 16% Cities, 4% TxDMV Issued in FY 20: 224	North Texas Intermodal <i>TRC 623.0172; 43 TAC 219.34</i> - Intermodal shipping containers using 6 axle vehicle combination - Travel within 5 miles of Texas/Arkansas border - Route fixed by TxDOT on federal/state roads only - Valid for one year Fee: \$1,000 Fee Distribution: 90% SHF, 5% Counties, 5% TxDMV Issued in FY 20: 0
Fluid Milk Transport <i>TRC 623 Subchapter V; 43 TAC 219.35</i> - Transport fluid milk - Travel on routes approved by TxDOT - 6 axle vehicle combination - Routes fixed by TxDOT on federal/state roads, county roads, & city roads - Valid for one year Fee: \$1,200 Fee Distribution: 75% SHF, 15% Counties, 10% TxDMV Issued in FY 20: 4		

Table 2. Types of Oversize/Overweight Permits